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December 13, 2005

AGENDA ITEM 3

TO: MEMBERS OF THE AD HOC BOARD GOVERNANCE COMMITTEE

- I. SUBJECT:** Board/Staff Relations and Communications Protocols
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Approve changes in Board policies as set forth in **bold**, below.
- IV. ANALYSIS:**

At the Committee's September 19, 2005 meeting, the Committee discussed a number of issues and appeared to reach consensus on several items, as discussed below. If consensus exists, we recommend that the Committee confirm this through formal action and a recommendation for approval by the Board. Because a number of issues are addressed in more than one policy, the Committee might find that the most efficient use of its time would be to approve **concepts** first, and then – near the final stages of the work plan – review the detailed amendments to existing Board policy that are necessary to implement the approved concepts.

Issues Discussed

A. Communications Between Individual Board Members and Staff

The Committee discussed the importance of communications and the respective roles of the Board President, the Committee Chairs, and the Chief Executive Officer and his staff. The Committee also discussed the existing policy and its lack of specificity. Based on discussions held by the Committee, we summarize the following recommendations:

- 1. The chair of each committee is responsible for coordinating committee briefings of individual Board members by staff.**
- 2. Requests for documents made by individual Board members should be directed to the appropriate committee chair. All**

Board members shall be informed of any documents provided pursuant to such a request.

- 3. Requests for outside consultant input and advice made by individual Board members should be directed to the appropriate committee chair or to the Board President.**
- 4. For specific agenda items, individual Board members should direct questions to the highest-ranking executive who signed the item or, if appropriate, to the outside consultant who signed the consultant report accompanying the item.**
- 5. Individual Board members should not participate in routine staff meetings or other staff activities.**
- 6. Correspondence addressed to Board members that should be forwarded to staff for response should be forwarded to the Board Secretary.**
- 7. If a Board member has been assigned a speaking engagement on behalf of CalPERS, any request for staff assistance in preparing the speech should be directed to the Board President or Vice President.**
- 8. If a Board member has accepted a speaking engagement outside of CalPERS (i.e., not assigned by the Board President or Vice President), staff resources may not be used for preparation of the speech.**
- 9. Modify the Board's Governance Principles, under Governing Style, to state the following: "The Board strives to achieve a governing style that emphasizes: ... g. Respect for diversity in view points, recognizing the value of all input."**

V. STRATEGIC PLAN:

This project supports Goal II of the 2005 Strategic Plan Goals which calls for CalPERS, as an organization, to "foster an environment that values quality, respect, diversity, integrity, openness, communication and accountability."

Members of the Ad Hoc Board Governance Committee
December 13, 2005

VI. RESULTS/COSTS:

This discussion and any resulting policies will enable the Board and staff to be more productive.

PETER H. MIXON
General Counsel

MEMBERS OF THE (type board/committee name here-ALL CAPS)
(type report date here)